



Irish Life Weekly Investment Bulletin

The week that was – WEEK 33 2018 (ending 17/08/2018)

“Knowledge has a beginning but no end.” – Geeta Iyengar

Irish residential property prices rose by 12% y-o-y in June – Latest figures from the Central Statistics Office show that national level residential property prices increased by 12% year-on-year in June, with Dublin prices up by 9%, the Rest of Ireland by 15.2% and Mid-West region house prices the highest at 22.3%.

Irish exports increase 1% in June but imports jump 20% – The CSO reported that seasonally adjusted goods exports increased by 1% in June compared to May - the EU making up 51% and the U.S. 26% of total exports - whereas imports showed a much larger increase of 20% with the EU making up 65% and U.S. 13%.

Global stock market down 0.3% on the week – The MSCI AC World TR Index showed a -0.30% return from 10th August to 17th August, as concerns over the Turkish currency crisis and slowing growth in China occupied minds. The Vix (CBOE Volatility Index) closed the week at 12.64, down from 13.16 on 10th August.

China and U.S. agree to resume trade talks – Stock markets rallied and the Chinese yuan picked up on Thursday after China announced that it would send a trade delegation to meet with U.S. Treasury Under-secretary David Malpass on 22nd August, the first face-to-face meeting by the two sides in over two months.

China's economic data in July disappoints – The National Bureau of Statistics (NBS) reported that annual retail sales growth rose by 8.8% in July, down from 9% in the previous month and compared to expectations of a 9.1% rise. Growth in industrial output also disappointed as it only rose by 6% versus forecasts of 6.3%.

UK retail sales for July beat expectations – The Office for National Statistics (ONS) reported that retail sales increased by 0.7% on the month in July, well ahead of the 0.2% expected. Retail sales rose 3.5% in July on an annualised basis versus the 3.0% expected, with online sales hitting a new record, up 18% on the year.

The Story of the week: Jacob Meir Abdellak, a 47-year-old librarian from France who lives in England was running significantly late for his 5:47 a.m. Norwegian Air flight from London to Los Angeles back in May so he decided to ‘anonymously’ call in a fake bomb threat eight minutes before the flight was supposed to take off. He still didn’t make it on to the plane. However an investigation by the Gatwick police traced the call to Abdellak, as he made it on a mobile phone that was associated with his boarding pass. He was sentenced to ten months in jail on Tuesday.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 17/08)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	3.7
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-4.2
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	1.4
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-1.5
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	7.9
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	13.2
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-2.2
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-6.5
Eurozone Government Bonds 1-5 yr	2.1	3.4	1.0	0.9	-0.2	-0.8
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.9
German	1.9	0.5	0.6	0.2	0.4	0.3
UK	3.0	1.9	1.9	1.2	1.2	1.2
Japan	0.7	0.3	0.2	0.0	0.0	0.1
Ireland	3.4	1.3	1.1	0.7	0.7	0.8
Italy	4.1	2.1	1.6	1.8	2.0	3.1
Greece	8.2	9.6	7.9	7.1	4.1	4.3
Portugal	6.1	2.7	2.5	3.8	1.9	1.8
Spain	4.1	1.6	1.7	1.4	1.6	1.4
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.75
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.0
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.14
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.90
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.27
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	5.5% (To end of Q2)
U.K.	10.9	17.9	13.3	3.6	10.3%	3.7% (To end of Q2)
U.S.	11.6	11.5	12.5	7.7	7.1%	3.7% (To end of Q2)

*Past performance is not a reliable guide to future performance and may fall as well as rise.